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Washington

October 30, 1937

A REVIEW OF BUSINESS CONDITIONS  
Confidential

Agricultural-Industrial Relations Section  
A.A.A.



Washington

October 30, 1937

- 2 -

### A REVIEW OF BUSINESS CONDITIONS

posed earlier in the year. The necessity of some adjustment to offset a general over-expansion now has the "jitters" and a further decline in business activity is likely.

The near-term outlook for business has been considerably clarified since August when the last Review of Business was prepared. Conditions suggestive of an approaching relapse in productive activity were summarized in the business review as early as last April at which time the statement was made that: (see page 5 of the April Review of Business) "Taken together with some relapse in commodity prices and a slowing up in buying in the textile and steel industries, this (i.e. the reaction in stock prices) is suggestive of an early top, probably temporary, to the current expansion in industrial production". The reaction in production than anticipated is now in evidence. If the close relationship between productive activity and industrial stock prices which has prevailed since 1932 (see attached chart) should continue industrial production could be expected to recede to around the 100 level, on the basis of the fall in stocks which has already taken place.

Industrial production fell from 117 (1923-25=100) in August to 111 in September, according to the Federal Reserve Board report. A further decline to around 106 in October is suggested by weekly indexes of production and of business activity. Several of the weekly series on which this statement is based appear on the first of the attached charts. Some further decline is probable before renewed expansion gets definitely underway. How long the relapse will last and how serious it will be is dependent on future developments, particularly in the financial markets; but that a sustained upward surge will make an appearance earlier than next spring appears doubtful.

The jolt to business confidence, incident to one of the sharpest and deepest declines the stock market has ever suffered, will act as a retarding influence for some months. Construction, which had already been unfavorably affected by rising costs, will be further retarded by increased difficulties of floating new capital issues as well as by a natural tendency, on the part of industrial managements, to delay expansion plans until business rights itself.

It's the old story that, once started, such a movement as the current relapse in production generates its own power. Then for a time the numerous factors favorable to further expansion (housing shortages, need for industrial and utility capital expansion, deferred equipment needs of the railroads, low interest rates and a plethora of credit, the favorable trend in "real" income of consumers, and a subnormal level of industrial production) are swept aside.

It is the opinion of the Bureau of Economic Research which is represented both for seasonal variation and on long-time trends. Some of these declines in business cover slightly different dates from those in stocks.

### 第三章 民主の五つの柱

et fonsua et (OOGASS-6801) TII work like most northern latitudes  
A strong trace erosion horizon sits at 2000m, reaching up to III  
and there is another at 1000m below it. Between these two  
there is a layer of talus material which has been  
washed down to the base of the slope.

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2/ Not a major decline.

2/ Decline in production. The Longer-Term Outlook as, according to Federal Reserve Board Index of industrial pro-

Faced earlier in the year only with the necessity of some curtailment to offset a period of overbuying, business now has the "jitters" and a decline in production, perhaps comparable to that of the minor cycle of 1923-24, is underway. Production will probably average lower in 1938 than in 1937, only a part of the loss of the early months being made up before the year ends. The 1933 and 1936 minor cyclical declines in stocks were somewhat larger than the decline in stocks.

The 1937 minor cycles have often interrupted temporarily major business movements. The present recession may be of this temporary character, and if so it should terminate during the next 6 to 9 months. Barring developments not now apparent, a renewal of the major upward trend in production may be expected to be in evidence by the end of 1938, and probably continuing without substantial interruption until sometime in 1940 to a considerably higher level than has yet been attained in this or any previous recovery. This would be a fairly normal course for the business cycle to pursue if we are not now in a major recession.

2/ response to that of 1936. The 1937 decline in production from June 1936 to

#### The Decline in Stock Prices

The March to October 1937 decline of about 41 percent in the Dow-Jones industrial average has been exceeded only four times since 1897, and the decline of 57 percent in the rails exceeds that of any other period except that from 1929 to 1932. The following table shows the extent of the major stock market declines since 1897 and the declines in business associated with them:

#### Percentage Declines in Stocks and in Business Activity

Period of market decline	Stocks (D.J. industrials)	Business activity
1899-1900	31.7	15.0
1901-1930	46.0	16.5
1906-1907	48.5	30.4
1912-1914	24.6	23.0
1916-1917	40.1	15.5
1919-1921	48.6	37.6
1923 2/	18.6	21.1
1926 2/	16.6	17.1
1929-1932	89.2	58.9
1937 (to October)	40.8	12.4 3/

1/ Based on the American Telephone and Telegraph index which is corrected both for seasonal variation and on long-time trend. Some of these declines in business cover slightly different dates from those in stocks.

"*um sono le yriesen eis dñm yno troy eis ak ydlios heest  
"mattit"*" eis und man overnied antwortete ke hñrig a teufle od vandien  
"zum eis ke dñt od aldermanos wüste, nothwider si entseh a bne  
"vom spescha ydlios lier und hñbott". quendam u2 15-1501 ke aldy  
"adres ylles eis ke esel eis ke troy a yne 1501 u2 nach 1501 si  
"dñr ylles eis erled en aben zuhend

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-men. Litter politurkotai lajwadina tuisidin glikatitnoe ylakotu has  
-med ang am pent Level mabigid ylakotitnoe a ed GBL al mait  
-yliet a ed bilan niat ylakotitnoe ambaro ynt te pidi at basiawut  
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-maliawut ynt am a

soil's strength and soil

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INTERVIEW: *REVIEW OF THE REPORT OF THE COMMISSION ON*

<u>standard</u>	<u>meas.</u>	<u>tolerance for individual subjects</u>
0.81	7.16	0001-0001
3.01	0.51	0001-0001
1.00	0.80	0001-0001
0.83	0.43	0001-0001
3.41	1.03	0001-0001
0.75	0.34	0001-0001
1.12	0.21	0001-0001
1.12	0.31	0001-0001
0.88	2.03	0001-0001
1.31	0.03	(specify next) 0001

-veo ak došlu zebut hystysef? kum emodylek upokruh edr no hossi  
smot žuorni smit-zpol no kum mohdaliq lusossoz tot sitod hafoz  
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, zlozda si zandu

2/ Not a major decline.

3/ Decline in production, rather than in business, assuming a Federal Reserve Board index of 106 for October.

Associated with the four previous declines in stocks, shown above, ranging between 40 and 50 percent were two declines in business amounting to about 16 percent and two exceeding 30 percent. The declines in business associated with the 1923 and 1926 minor cyclical declines in stocks were somewhat larger than the declines in stocks. The Federal Reserve Board index of industrial production during the three latest periods covered in the tabulation declined 20.8, 9.0, and 53.6 percent respectively.

Though the current decline in stock prices ranks among the largest on record, absence of the most obvious signs which usually warn of impending cyclical declines in production—tight money, over-building, feverish speculation, abnormal business activity, favorable employment opportunities—is suggestive of a rather moderate relapse in production both as to extent and duration; possibly similar in both respects to that of 1923-24. The 13-month decline in production from June 1923 to July 1924 amounted to 22 points in Federal Reserve Board index or 20.8 percent. A similar decline at present would last until early 1938 and would result in an index of production, at the low, between 95 and 100. While in many respects the 1937 situation is similar to that of 1923, it should be observed that in 1923 security flotations for the production of capital goods both here and abroad were not at the present low level.

#### Nonagricultural Income

Nonagricultural income declined from 98.2 percent of the 1924-29 average in August to 96.8 in September. With the single exception of the decline from December 1936 to January 1937, following unusually heavy year-end dividend disbursements, this is the first relapse in 26 months. The continued slump in industrial production and in general business activity through October may have been accompanied by some further recession in nonagricultural income.

The total of \$47,888,000,000 nonagricultural income during the first 9 months of 1937 compares with \$42,124,000,000 during the corresponding period of 1936—a gain of \$5,764,000,000 or 13.7 percent. Should income decline again in October by about the same amount as in September and then hold at the October rate for the last two months of the year, the 1937 total would approximate \$43,700,000,000 as compared with \$47,815,000,000 last year. To this estimate for 1937 would be added any extraordinary year-end dividend disbursements. These may be not more than half as great as last year when they totaled about \$440,000,000. It now appears that nonagricultural income in 1937 may be slightly below 64 billion dollars, about 10.5 percent above 1936, but that by the year end the income level will be

Люблю я птиц, несущих на крыльях счастья и радости в каждый дом.

and places where cooling occurs at shallow depths and devoid  
of fauna; deeper water occurs near the coast, where no faecal  
matter, which may be derived from land, is present. The fauna is  
characterized by the presence of many small organisms, such as amphipods  
and mysid shrimps, which are typical of the coastal waters.

*Journal of the American Mathematical Society*

оділ "Із засобами 3.000 морів будівельних матеріалів Ізраїльської армії" відповідає відповідь на питання № 3-1991 підполковника АВАРІЯ Управління з питань матеріалів та обладнання оділу "Із засобами будівельними матеріалами та обладнанням" відповідь на питання № 3-1991 підполковника АВАРІЯ Управління з питань матеріалів та обладнанням

about the same as at the end of 1936.

A relapse in nonagricultural income at this season is in sharp contrast to the upward movement during all corresponding periods since 1932. It may prevent the strong upward surge in retail trade which has characterized the holiday season of all years, since the present recovery period got underway, and imperils the expansion in farm income.

#### Farm Income

The gain in farm cash income, including government payments, from \$5,432,000,000 during the first 9 months of 1936 to \$6,175,000,000 this year amounts to 13.7 percent. Percentagewise this is the same size of increase as is estimated for nonagricultural income.

The recent trend of farm income has been less favorable than that of the nonfarm population. The index of farm cash income (benefits included) dropped from 95.7 in June to 81.5 in September, and, according to the latest income report of the Bureau of Agricultural Economics, income from marketings was probably down further in October, after correction for seasonal variation.

The decline in farm prices, which is responsible for the current slump in income, apparently has continued. Wholesale prices of grains and meats were considerably lower late in October than a month earlier and cotton was slightly lower despite some recent recovery. Live hogs declined about \$1.50 per cwt. from mid-September to mid-October.

With supplies of some farm products increasing and the upward trend of consumer demand halted the outlook for farm prices and income for 1938 is not as favorable as was that for 1937. The following table is of interest in this respect.

#### Farm and Nonfarm Income Available for Farm Living

Gross farm income (Incl. Bene.)	Selected farm ex- penditures (Million dollars)	Farm in- come avail- able for living	Avail- able nonfarm income	Per capita income available for living 1910-14=100			Ratio farm to nonfarm
				Percent	Farm	Nonfarm	
1924-29	\$11,681	\$4,923	\$6,758	966,470	156.8	193.1	81.2
1932	5,337	3,480	1,857	44,918	42.6	119.8	35.6
1933	6,406	3,383	3,023	41,464	67.8	110.5	61.4
1934	7,276	3,460	3,818	47,128	85.3	124.6	68.5
1935	8,508	3,580	4,928	50,319	110.1	131.8	83.5
1936(P)	9,530	3,725	5,805	57,188	129.7	148.4	87.4
1937(Est.)	10,100	4,000	6,100	63,500	136.7	163.4	83.7

and to live off the use of his funds

ατι αλ πονεσ ελιρε αποντι Ιερυτικηδικων αι επαγγελτι  
επονεσ γελημονογραφεο ήταν γειτονιστριανης βασικης αιτης επιτηδευμανης ηδα  
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αιτης εποντι , εποντι Ηταν αι πονεσ επιβλεψης επιτηδευμανης αιτης επιτηδευμανης  
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part off from real need and accentuate the honest traces left

azaxi deng mali ko azaxi efti - multalingq miñmox efti 'lo : miñ  
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-long to several feet to trigger repeat cycles of sublimation, then  
redeposit much older debris over a glaciational cycle scenario. Similar to  
the first scenario, but with more time available, and the sediments are  
more likely to be well sorted.

and the differences in terms, seeing that no article on  
nearly fifteen pages records no single transaction  
in which record is not used several times before being  
entered upon otherwise than through some record from  
another bank or fi. The very 60,000 funds handled every year  
are recorded in no less than 100,000 entries.

brings us here uninvited members who are to officiate at it  
the meeting will not proceed till both have returned to their  
old seats until now an old man at the age of 88 years  
has been elected as moderator in all other assemblies

subtili et velutinae, cuncte exinde sunt tenui.

The anticipated 1937-38 increase in per capita farm income available for living is the smallest of the current recovery period and the first to show a decline relative to nonagricultural per capita income. For 1938 a lower level of industrial activity is likely to mean a somewhat smaller total nonfarm income and with the pressure of increasing carryover in cotton and wheat on farm prices, farm income could easily fall off relatively more than non-farm income.

### Key Industries

#### Steel

After having held through most of the third quarter of 1937 at a much higher rate than could have been explained by current demand, steel mill operations have recently been sharply reduced. The curtailment which started in the week ending September 18th had resulted in a drop of 31 percent by the October 16th week, according to the seasonally corrected index of the New York Times. Strangely enough, operations in the automobile industry, which has consistently been the most important consumer of steel during the last 5 years, expanded about 45 percent (to a new high monthly record after correction for seasonal) while steel mill operations were slumping so drastically. The earlier production of new models is largely responsible for the recent favorable showing of the automobile industry.

It of course has been known for months that steel mill operations were being sustained partially by the backlog of orders built up earlier in the year. Now that steel mills have caught up, the low rate of demand from such important consuming channels as railroads and construction is serious. Demand from the container and farm equipment industries, which has grown to about twice its relative pre-depression importance, continues active.

#### Automobiles

The future course of demand from some of the industries consuming large amounts of steel must be anticipated in evaluating the outlook for the steel industry. Automobile production for 1937 will apparently exceed 5 million cars and trucks as will be deduced from the following:

	10 Month <sup>a</sup> production		New, -Dec. (000)	Calendar year total U. S. (000)
	U. S.	U. S.		
	(000)	(000)		
1935	3,147	800	3,947	
1936	3,560	894	4,454	
1937	4,150	?		

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current status, although there are numerous other and more important factors involved in the final outcome. The following table summarizes the available evidence at present and shows how each factor has been weighed. It is based on a total of 100% of the available information. Factors which have been given the largest weight are those which are most likely to affect the final outcome. Factors which have been given the smallest weight are those which are least likely to affect the final outcome. The E&I values listed below provide a general picture of the current status.

### Estimated Factors

#### Weight

100% of factors listed will be given equal weight unless otherwise specified.

Factors not listed here must still be taken into account when a decision is made. These factors include the following: (1) The political situation in the United States; (2) The political situation in the Soviet Union; (3) The political situation in the United Kingdom; (4) The political situation in France; (5) The political situation in Germany; (6) The political situation in Italy; (7) The political situation in Spain; (8) The political situation in Portugal; (9) The political situation in Greece; (10) The political situation in Turkey; (11) The political situation in Yugoslavia; (12) The political situation in Poland; (13) The political situation in Czechoslovakia; (14) The political situation in Hungary; (15) The political situation in Romania; (16) The political situation in Bulgaria; (17) The political situation in North Africa; (18) The political situation in South Africa; (19) The political situation in Australia; (20) The political situation in New Zealand; (21) The political situation in Canada; (22) The political situation in Mexico; (23) The political situation in Central America; (24) The political situation in South America; (25) The political situation in Africa; (26) The political situation in Asia; (27) The political situation in Oceania; (28) The political situation in Antarctica; (29) The political situation in Space; (30) The political situation in the Moon; (31) The political situation in Mars; (32) The political situation in the rest of the solar system; (33) The political situation in the rest of the universe.

Below is listed all factors from the previous section that were given a weight of 100% of the factors listed above them. These factors are: (1) The political situation in the United States; (2) The political situation in the Soviet Union; (3) The political situation in the United Kingdom; (4) The political situation in France; (5) The political situation in Germany; (6) The political situation in Italy; (7) The political situation in Spain; (8) The political situation in Portugal; (9) The political situation in Greece; (10) The political situation in Turkey; (11) The political situation in Yugoslavia; (12) The political situation in Poland; (13) The political situation in Czechoslovakia; (14) The political situation in Hungary; (15) The political situation in Romania; (16) The political situation in Bulgaria; (17) The political situation in North Africa; (18) The political situation in South Africa; (19) The political situation in Australia; (20) The political situation in New Zealand; (21) The political situation in Canada; (22) The political situation in Mexico; (23) The political situation in Central America; (24) The political situation in South America; (25) The political situation in Africa; (26) The political situation in Asia; (27) The political situation in Oceania; (28) The political situation in Antarctica; (29) The political situation in Space; (30) The political situation in the Moon; (31) The political situation in Mars; (32) The political situation in the rest of the solar system; (33) The political situation in the rest of the universe.

The following factors are the remaining factors that were given a weight of 100% of the factors listed above them. These factors are: (1) The political situation in the United States; (2) The political situation in the Soviet Union; (3) The political situation in the United Kingdom; (4) The political situation in France; (5) The political situation in Germany; (6) The political situation in Italy; (7) The political situation in Spain; (8) The political situation in Portugal; (9) The political situation in Greece; (10) The political situation in Turkey; (11) The political situation in Yugoslavia; (12) The political situation in Poland; (13) The political situation in Czechoslovakia; (14) The political situation in Hungary; (15) The political situation in Romania; (16) The political situation in Bulgaria; (17) The political situation in North Africa; (18) The political situation in South Africa; (19) The political situation in Australia; (20) The political situation in New Zealand; (21) The political situation in Canada; (22) The political situation in Mexico; (23) The political situation in Central America; (24) The political situation in South America; (25) The political situation in Africa; (26) The political situation in Asia; (27) The political situation in Oceania; (28) The political situation in Antarctica; (29) The political situation in Space; (30) The political situation in the Moon; (31) The political situation in Mars; (32) The political situation in the rest of the solar system; (33) The political situation in the rest of the universe.

Factors listed below will receive some weight, but not as much as the factors listed above them.

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### Estimated Factors

Factors listed below will receive some weight, but not as much as the factors listed above them. These factors are: (1) The political situation in the United States; (2) The political situation in the Soviet Union; (3) The political situation in the United Kingdom; (4) The political situation in France; (5) The political situation in Germany; (6) The political situation in Italy; (7) The political situation in Spain; (8) The political situation in Portugal; (9) The political situation in Greece; (10) The political situation in Turkey; (11) The political situation in Yugoslavia; (12) The political situation in Poland; (13) The political situation in Czechoslovakia; (14) The political situation in Hungary; (15) The political situation in Romania; (16) The political situation in Bulgaria; (17) The political situation in North Africa; (18) The political situation in South Africa; (19) The political situation in Australia; (20) The political situation in New Zealand; (21) The political situation in Canada; (22) The political situation in Mexico; (23) The political situation in Central America; (24) The political situation in South America; (25) The political situation in Africa; (26) The political situation in Asia; (27) The political situation in Oceania; (28) The political situation in Antarctica; (29) The political situation in Space; (30) The political situation in the Moon; (31) The political situation in Mars; (32) The political situation in the rest of the solar system; (33) The political situation in the rest of the universe.

### Estimated Factors

#### Weight

Production in October was about 130,000 ahead of last year and Ford is understood to have been slow in getting underway on his 1938 model. With the added impetus of heavy Ford production in the final two months total output might reach 1,000,000 units, and certainly should exceed the 880,000 necessary to a 5 million car year.

United States auto production reached 5,358,420 in 1929 and totaled 9,717,188 for the two years 1928-1929. The 1936 out-turn amounted to 4,454,115 (second only to 1929) and that of 1937 will bring the two year total close to that of the 1928-29 predepression record. This rate of output will be hard to maintain. Deferred new user demand has probably been pretty well satisfied by now. The number of cars near the junkable age (i.e. the number in excess of total sales during the past 6 years) is probably at the highest point in 1937 that it has ever been or will likely be for 8 or 10 more years.

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Thus, without the drawback of increased prices, stiffening credit terms, a halt to the increase in consumer incomes, and discouragement, among the auto buying classes, of a stiff reaction in stock prices, the 1938 outlook would be for no increase in production. With these additional factors taken into account there appears little reason to doubt that 1938 output will fall behind that of 1937.

Since autos have been one of the brightest spots in the economic picture during the entire recovery period any relapse will be doubly serious. The steel industry especially will miss the annual increases in automobile business which have thus far characterized the recovery period.

#### Construction

Construction has in recent years been second to automobiles as a user of steel. Though the dollar volume of construction has more than doubled since 1933 the 1937 estimated total of about \$2,900,000,000 is 56 percent short of the 1928 peak year in which contracts awarded totaled \$6,628,000,000.

Construction Contracts Awarded (F. W. Dodge)  
(Million dollars)

	<u>10 months</u>	<u>Nov.-Dec.</u>	<u>Year</u>
1928	5,724	904	6,628
1933	886	370	1,256
1934	1,339	204	1,543
1935	1,393	452	1,845
1936	2,268	407	2,675
1937	2,506 1/	360 2/	2,866 3/

and many from the Americas (99.7%). These last mention an enrichment  
that can be obtained by adding a small amount of ammonium to 200 g  
leaves and soil collected from under the leaf litter of Amazonian rain forest.  
This enrichment may be due to the presence of organic acids in the leaves.

After about six days, the first signs of infection appeared, often appearing suddenly and severely. Most of the infected animals were sold down river, and many died. The survivors usually recovered quickly, and the death rate again started rising after two months. This time all breeds and all the countries to which they were sent suffered losses, and the disease clearly affected most of them, and became more serious. All countries paid small fees to the government, and many tried to reduce their losses by the following six measures: 1) to ban sale of all live cattle, 2) to ban all sales of cattle and spiced cattle meat, 3) to ban all sales of cattle meat, 4) to ban all sales of cattle meat, 5) to ban all sales of cattle meat, and 6) to ban all sales of cattle meat.

changes in all groups classified with the same plant were studied mainly  
amongst 1400-2000 tree species examined. The plants used include shrubby  
succulent species and some trees of the genus *Acacia*. The results show  
changes with increasing rainfall which could affect the life-span either of the tree or of

1886-1887

the administration had issued some strong threats as well as statements of  
error and dissatisfaction by another called out rapidly. Hence the reason  
why the WPA funds in each state were held up until the new administration  
had been constituted and the party line fully established.

*Lepidoptera* of the Adirondack mountains and lower forest.

<u>Text</u>	<u>Meaning</u>	<u>Notes</u>	<u>Text</u>
1000	one thousand		1000
2000	two thousand		2000
3000	three thousand		3000
4000	four thousand		4000
5000	five thousand		5000
6000	six thousand		6000
7000	seven thousand		7000
8000	eight thousand		8000
9000	nine thousand		9000

- 1/ October estimated at double the first half.
- 2/ Assuming the same percentage decline from last year as for September and October.
- 3/ Total of estimates explained in footnotes 1 and 2.

Recent weakness in security markets makes the floating of new capital issues, so necessary for an expanding volume of industrial construction, difficult. Total domestic new capital issues in August and September 1937, while the security markets were weak, amounted to only \$229,000,000 as compared with \$395,000,000 in the corresponding months of 1936--a decline of 42 percent--whereas \$1,513,000,000 of new issues during the preceding 7 months of 1937 exceeded the \$961,000,000 in 1936 by 57 percent. Obviously, construction volumes cannot be expected to expand until the capital markets strengthen and the general business outlook becomes more definitely favorable.

Thus, despite the favorable longer-term significance of growing shortages in residential building and an apparent need for utility and industrial capital expansion, immediate prospects do not suggest any near-term improvement.

#### Railroad Equipment

The income position of the railroads is not such in itself to suggest heavy buying of equipment and rails, but recent action of the Interstate Commerce Commission in granting rate increases on specified commodities and apparently opening wide the door for further and more important advances probably will lead eventually to greatly increased expenditures, possibly starting within the next year.

The \$48,000,000 increase in annual income anticipated by the roads from the increased rates just granted is only 36 percent as great as the estimated annual increase of \$133,000,000 incident to wage advances to both the operating and nonoperating personnel. However, the Interstate Commerce Commission, in granting most of the rates advances recently requested by the railroads, recognized the inadequacy of the present rate of earnings on invested capital and stated that earnings of the railroads in periods of good business should be allowed to exceed a reasonable return as an offset to the inadequate returns which must be expected in periods of low industrial activity. Thus, it is reasonable to assume that more extensive rate advances will be allowed. The railroad managements are now gathered in Chicago for the purpose of preparing a petition for further rate increases.

that results will reflect the following principles:  
not to waste time with technical opportunities, which may be lost;  
to take advantage of opportunities to learn  
of how to implement new technologies.

the 20th century with Indian agriculture becoming less intensive, diversified, and market-oriented. The modernization of the economy has also increased the demand for energy, which has led to a significant increase in oil imports. This has put a strain on the country's balance of payments and led to inflationary pressures. The government has responded by implementing various economic policies, such as privatization, deregulation, and fiscal discipline, to address these challenges. However, there are still significant challenges facing the country, particularly in terms of infrastructure development, rural poverty reduction, and environmental sustainability.

allowing for more flexible model-specific estimation and allowing only one type of error distribution for partial least squares and principal components. The new approach also allows for different standardization techniques.

After a short time of observation and the following removal and return of all tree ferns and other non-woody plants, ground surface was found to consist of fine, granular, and relatively uniform material which contained such items as small pebbles, white sand, and a few small fragments of wood.

the following year, he was elected a member of the Board of Education, and in 1860 he was chosen a member of the Board of Education of the City of New York.

The former underwriting will now be discontinued, so that no new premium will be received from existing policyholders until the end of the year, unless the last premium has been paid by December 31st. Premiums will be collected by mail, and no premium will be accepted after December 31st.

Some idea of the possibilities of increased railway buying is offered by a comparison of recent orders for new equipment as compared with those last year. During the four months ending with September 1937 orders were placed for 4,243 freight cars as compared with 15,114 during the same period of 1936. This reduction in orders coincided with the lowest surplus of cars in years. The freight car surplus of only 104,000 on September 30, 1937 compared with 125,000 a year earlier and was as small as that at any time during the 1924-29 period of business prosperity. If productive activity expands much from the recent peak, prior to completion of the present economic cycle, the railroads will need to buy heavily in the near future.

Delicacy on the part of the railroads in purchasing needed equipment more liberally is based on poor operating results. Total net income for 1936 and 1937 was less than the aggregate net losses suffered during the three preceding year. Furthermore, net profits of the Class I roads in recent months have been particularly disappointing.

Net Profits of Class I Roads  
(000)

	<u>1936</u>	<u>1937</u>
January	\$ 7,914 (d)	\$4,598 (d)
February	11,674 (d)	5,727 (d)
March	5,316 (d)	24,461
April	2,295 (d)	2,667
May	2,420 (d)	48 (d)
June	8,902	18,560
July	19,283	19,007
August	<u>20,857</u>	<u>10,000 (Est.)</u>
6 months' total	<u>\$16,423</u>	<u>\$64,322</u>
Year	<u>166,630</u>	

(d) deficit

With carloadings now fluctuating around last year's level as compared with substantial year-to-year gains earlier and with increased freight rates only a partial offset to wage advances it is probable that net income for the final four months of 1937 will fall short of the \$150,000,000 for the final four months of 1936; probably sufficiently short to prevent the annual net from reaching last year's level.

It is apparent that the railroads will be forced to continue to hold purchases of rolling stock and track steel to a minimum until profits are larger or at least until the near-term outlook for profits improves. Though early gains in railway purchases from recent near-zero

all qualified respondents interviewed the most difficult decision over the period would involve the identification and recruitment of the best available technical staff from within or without the organization. In many cases, while the organization had strong technical staff, there was a lack of appropriate training and experience. This problem was particularly acute among the lower level staff and technicians who had been trained at a relatively early stage in their careers. The need to identify and recruit highly qualified and experienced staff was also considered as one of the major difficulties faced by organizations which were attempting to move into new areas of activity—particularly and the introduction of new products. Another problem concerned senior management and the board of directors who were often less able to keep pace with the developments in their field.

in Great Britain and Scotland and Ireland and another from the  
Anglo-Saxons of Northumbria, composed of the following words:  
"Wætan" and "Wætan" and "Wætan" and "Wætan" and "Wætan".

<sup>1</sup> The author would like to thank Dr. John McElroy and Dr. Michael J. Sparer for their comments on earlier versions of this paper.

These results are the same when we make addition to a solution of acidifying salt such as sodium acetate with dilute sulfuric acid. In this case, the reaction is due to the formation of a precipitate of barium sulfate.

levels is probable, any sizeable business for the steel industry from this source is not in immediate prospect.

#### The Less Volatile Industries

The 1938 outlook for industries discussed above concerns only industries producing capital goods or durable consumer goods. Usually the fluctuations in this type of industry are more violent than the average for all industrial production owing to inclusion in the total, the output of factories producing necessities and the less durable types of goods, consumption of which is relatively inelastic.

Factory production of food products has not been high in recent year, owing particularly to short supplies of livestock, and there is no reason to anticipate a reduced output for next year, but factory production of textiles and leather goods which reached record levels in late 1936 and early 1937 is now pointing downward. Even with cheap cotton for processing next year it appears doubtful that factory output of textile and of agricultural products in general will be up to the average of 1937. Thus the expected 1938 decline in industrial production is not entirely due to the less favorable outlook for some of the more durable products such as automobiles and steel.

#### Prices and Living Costs

Wholesale prices have declined considerably during the past month, price weakness having been particularly pronounced in the farm, food and textile groups of products. However, there is not a group among those included in the Bureau of Labor Statistics weekly report that did not participate in the decline, as measured by the indexes for the weeks ending September 18 and October 16.

It has previously been noted that whereas farm income has already declined considerably, after correction for seasonal variation, non-agricultural income had its first relapse in September. Prices received by farmers and wholesale prices of farm and food products have also declined considerably more than the average of other commodities (see attached chart).

Living costs rose slightly in September to a new high since 1931. However, the living cost index has been remarkably steady since May, having fluctuated between 83.9 and 84.2 percent of the 1924-29 average during this 5 month period.

An analysis has been made in this section concerning the effect of changes in the volume of agricultural production and purchasing power of consumers (the two basic factors which control variations in retail expenditures for food) on the food budget of families of industrial workers. It was found that during the entire period 1921 to 1937

with minimal drops with 100% moisture) +27mm in 1990, +7.6mm in 1991 and -1.6mm in 1992.

With reference to specific circumstances, individual and collective forms of self-expression, traditional influences on writing, and more generally, the personalities and the social roles involved. We might focus on such topics as the past and its influence on present conditions; the historical development of the group or community and how, as it becomes established, it changes and adapts with the times.

at right angles from each other, both to multiply the velocity.

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During such periods, children have available great energy, which can be used for strenuous voluntary, free, general exercise, such as running or dancing, and other physical activities for hours at a time. Such periods of intense involvement need to be used and not forgotten without consideration of the importance of physical and play activities during these times.

Wissenschaft und Kultur, so daß sie nicht nur die politische und gesellschaftliche, sondern auch die kulturelle Entwicklung des Landes bestimmen. Es ist daher von großer Bedeutung, daß die Universität eine wichtige Rolle bei der Förderung der kulturellen und wissenschaftlichen Arbeit spielt. Sie muß die wichtigsten Wissenschaften und Disziplinen fördern und unterstützen, um die Entwicklung des Landes zu begünstigen und seine Zukunft zu sichern.

Wij zijn blij dat u dit voorstel heeft aangeboden. De voorstellen kunnen alleen maar de gezamenlijke levens van de kinderen en jongeren verbeteren. Wij hopen dat u ons hierin kunt steunen.

changes in national income have been about twice as important in determining changes in food costs as have changes in agricultural production, but that a given percentage change in agricultural production (2-year average) has caused about twice the change in food prices as has the same percentage change in national income.

Assuming certain levels of agricultural production and of consumer income for 1938, and allowing for the effect of production of one year on food prices the next year and for an apparent downward drift in food prices relative to consumer income, it is possible to estimate probable consumer expenditures for food in 1938 as compared with those of 1937. Should 1938 national income be about 2 billion dollars (3 percent) less than in 1937 and the two year average index of net agricultural production, exclusive of cotton, be about 1½ percent less, the cost per industrial worker family of the 58 foods used in Bureau of Agricultural Economics studies, might be around \$25, or 7 percent, lower in 1938 than in 1937.

The peak in retail food prices may have been reached last June, and by a year from now food costs should be down sufficiently to offset the major portion of any further advance in prices of the nonfood items of the family budget which may occur in the interim.

Wenige Tage später erschien der General und erklärte dem Kommandanten, dass die gesuchten Waffen nicht mehr benötigt würden. Er schickte einen Befehl aus, dass alle Waffen, die nicht mehr benötigt werden, zurück zu den entsprechenden Truppenteilen gebracht werden sollten. Dieser Befehl wurde befolgt und die Waffen wurden zurück gebracht.

and would be most useful for making many students all their life  
more intelligent and more happy than they are now. I am sure every one of these  
books will be a great help to them.

# BUSINESS INDICATORS

		September	August	September	September	September
	Key	1937(P)	1937(r)	1936	1933	1929
Farm Income (with benefits)						
(1)	a	\$ 694	\$ 730	\$ 663	\$ 498	\$ 876
Nonagricultural Income (with relief) (1)	a	\$5,363	\$5,441	\$4,870	\$3,618	\$6,023
Industrial Production	b	111	117	109	84	121
Department Store Sales (1)	c	86	83	80	62	102
Rural Retail Sales (1)	c	105	92	99	59	108
Motor Vehicle Output (Units) (U.S. and Canada)	d	176	405	140	198	430
New Passenger Car Registrations (Units)	d	226	309	209	168	304
Dollar Sales, New Passenger Autos (1)	e	73	84	58	36	98
Steel Ingot Production (Tons)	d	4,302	4,870	4,151	2,283	4,528
Building Contracts (Dodge):						
Total	a	\$ 207	\$ 285	\$ 234	\$ 120	\$ 444
Residential	a	\$ 66	\$ 75	\$ 81	\$ 22	\$ 117
Nonresidential	a	\$ 76	\$ 117	\$ 69	\$ 38	\$ 186
Railway Carloadings (2)	d	798	779	765	648	1,136
Electric Power Production (K.W. Hr.) (2)	a	2,255	2,290	2,114	1,635	1,763
Wholesale Prices, All Commodities	f	127.7	127.8	119.2	103.4	140.3
Wholesale Prices, Farm	f	120.5	121.2	117.8	79.9	149.5
Wholesale Prices, Food	f	136.4	134.4	129.1	100.8	160.2
Wholesale Prices, Non- agricultural	f	129.1	129.1	119.2	108.6	138.4
Prices Rec'd. by Farmers	f	*	130(4)	127(3)	116(3)	153(3)
Prices Paid by Farmers	f	*	118(4)	121(3)	78(3)	149(3)
Ratio of Prices Rec'd. to Prices Paid	f	*	91(4)	95(3)	67(3)	97(3)
Urban Cost of Living	b	84.7	84.4	82.4	78.8	100.6
U.S. Unemployment, Trade Unions (A.F. of L.)	c	114(3)	113(4)	134(3)	265(3)	89(3)
U.S. Employment, Mfg. Industries (B.I.S.)	c	97.5	97.7	91.2	79.5	103.8
U.S. Exports	a	297	278	220	160	437
U.S. Imports	a	233	246	216	147	361

P - Preliminary

r - Revised

\* - Not available

(1) Adjusted for seasonal variation

(2) Weekly average

(3) October

(4) September

KEY:

a - in millions

b - 1923-28=100

c - 1929=1.0

d - in thousands

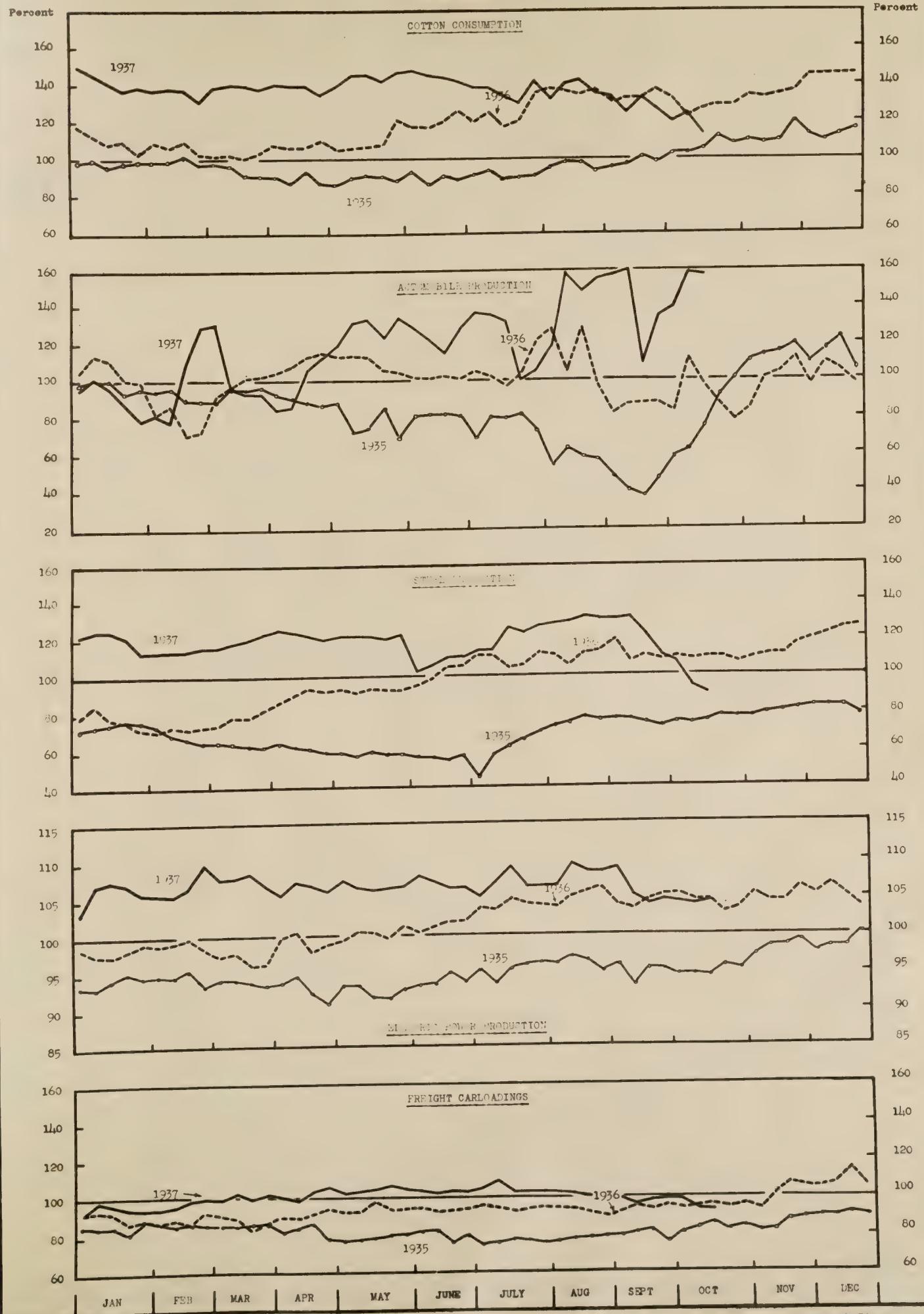
f - 1910-14=100

此題與第三題同為五分題。此題與第二題同為五分題。

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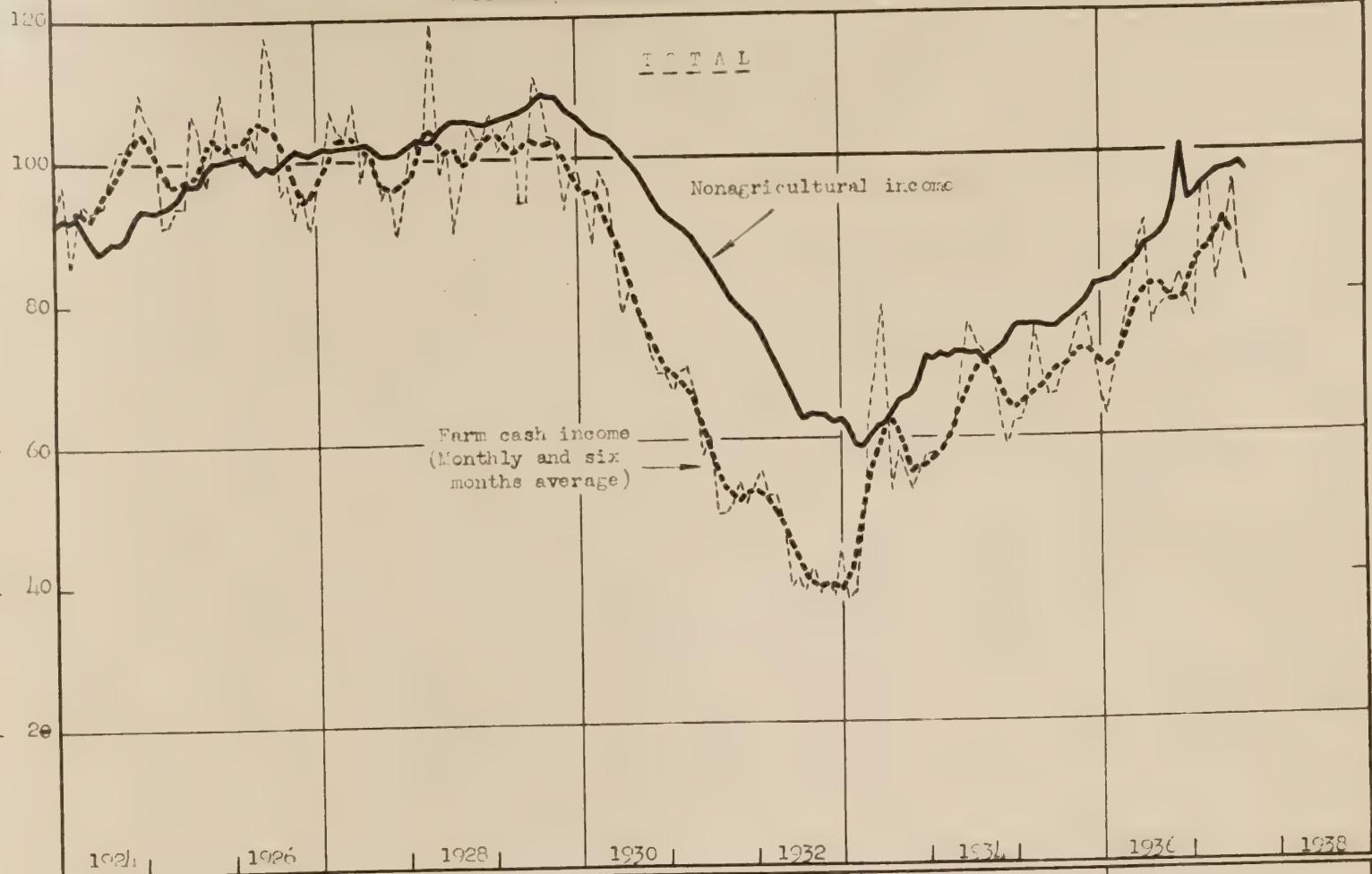
## WEEKLY BUSINESS INDICATORS

Adjusted for Seasonal Variation  
Estimated Normal = 100





INDEXES OF NONAGRICULTURAL AND FARM CASH INCOME, TOTAL AND PER CAPITA  
Seasonally corrected indexes, 1924=100



P E R C A P I T A

Nonagricultural income

Farm cash income  
(Monthly and six  
months average)

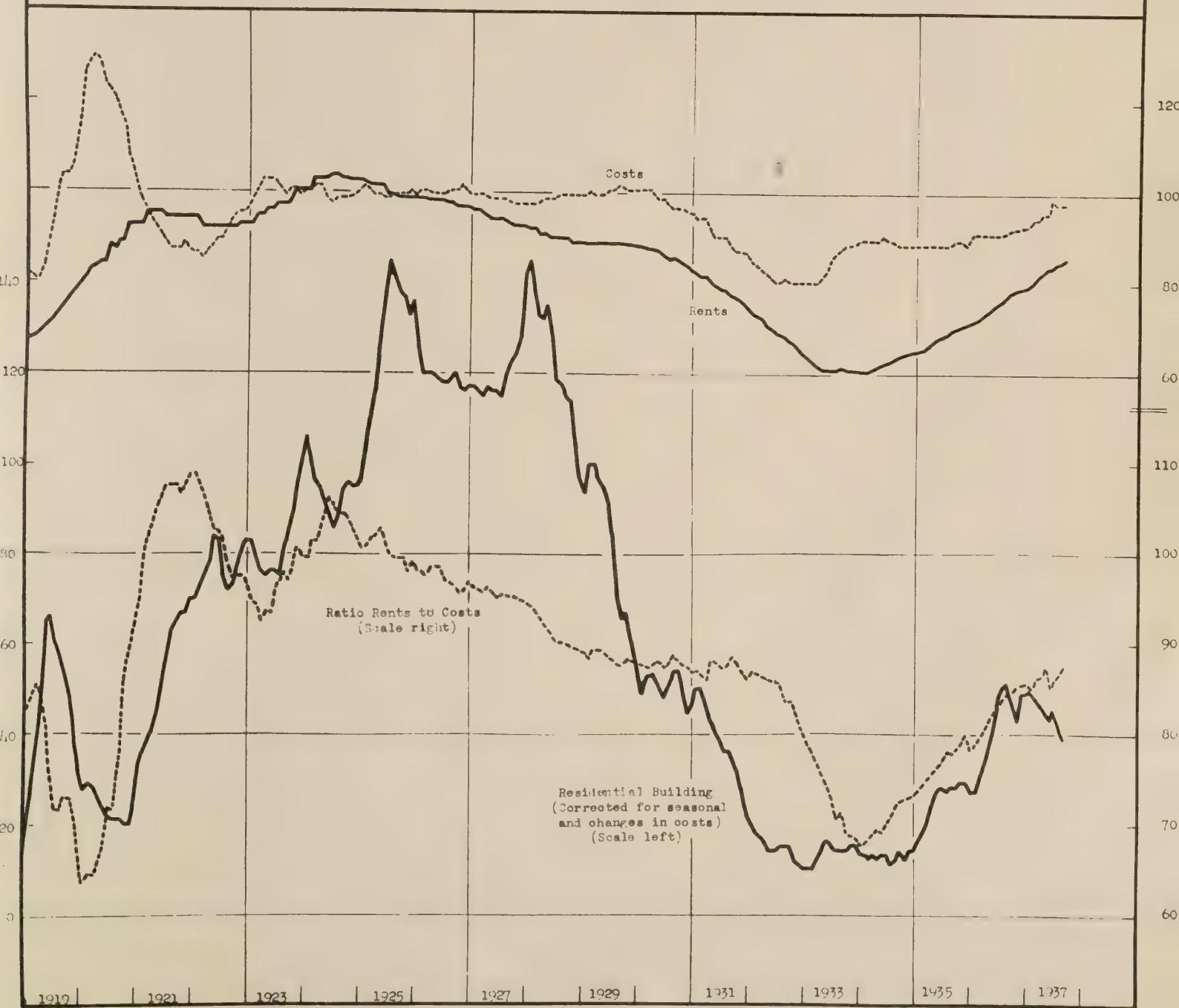
1924 1926 1928 1930 1932 1934 1936 1938



R E S I D E N T I A L      B U I L D I N G

(Indexes of Volume, Costs and Rents)

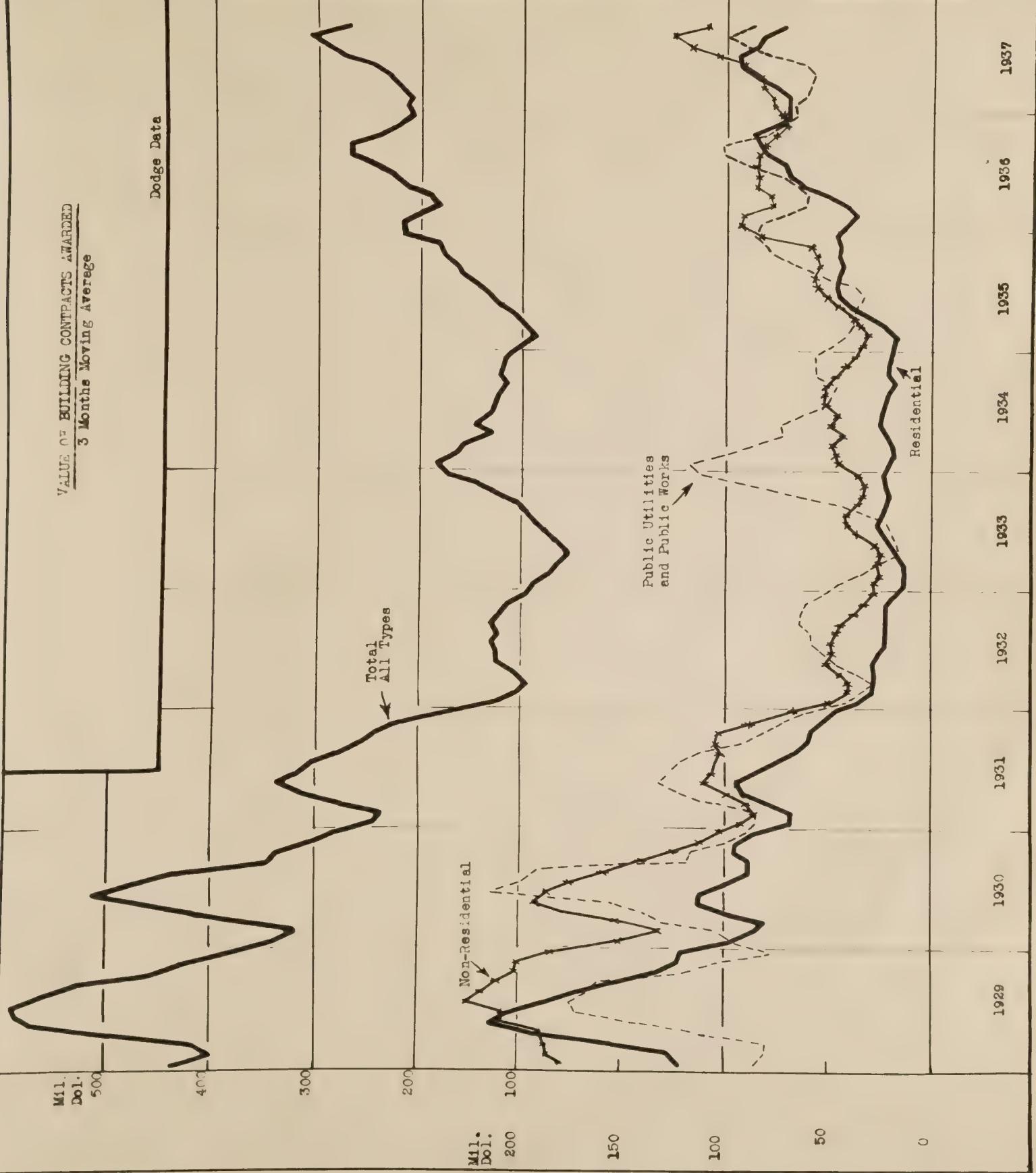
1923-5=100



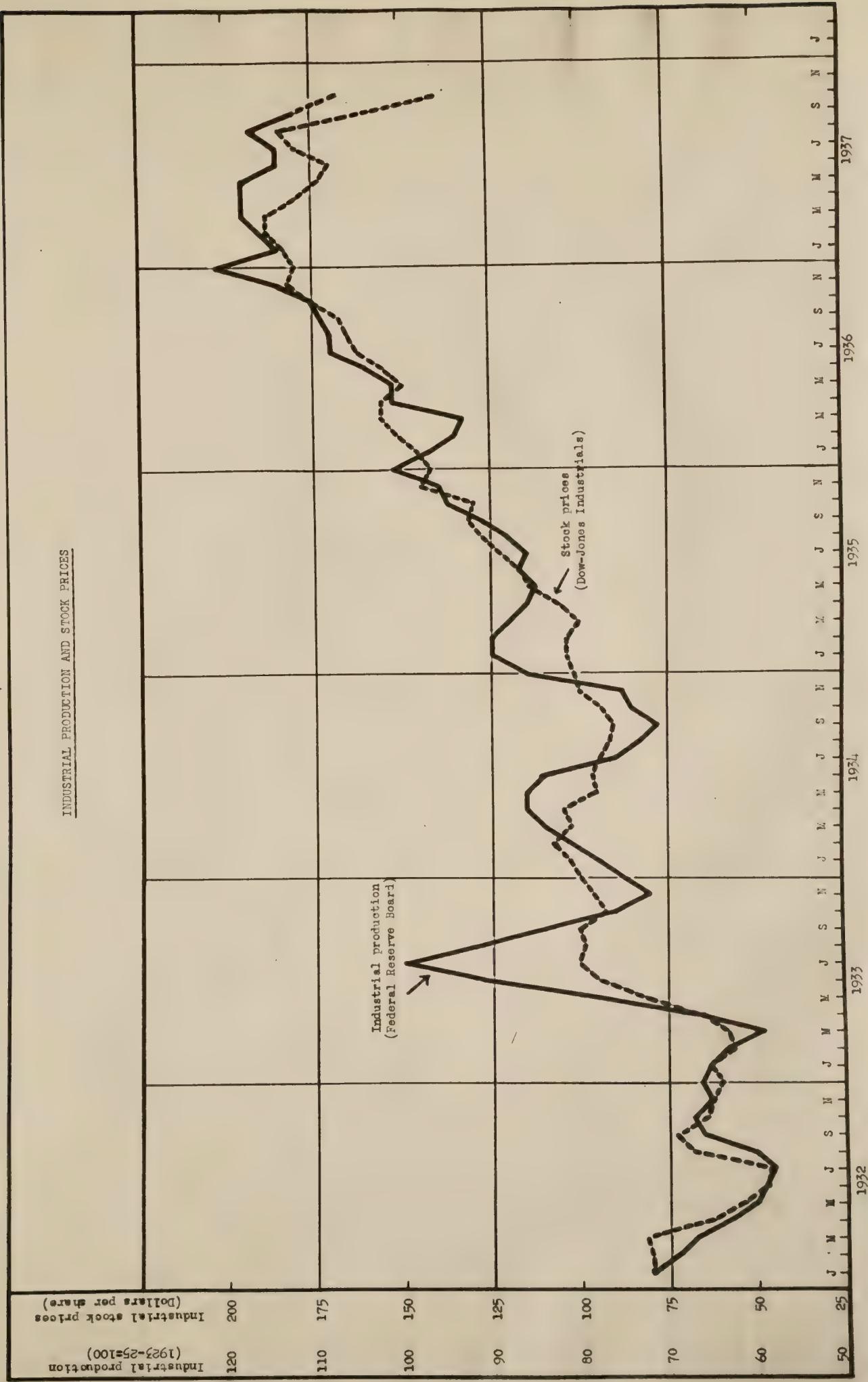


VALUE OF BUILDING CONTRACTS AWARDED  
3 Months Moving Average

Dodge Data

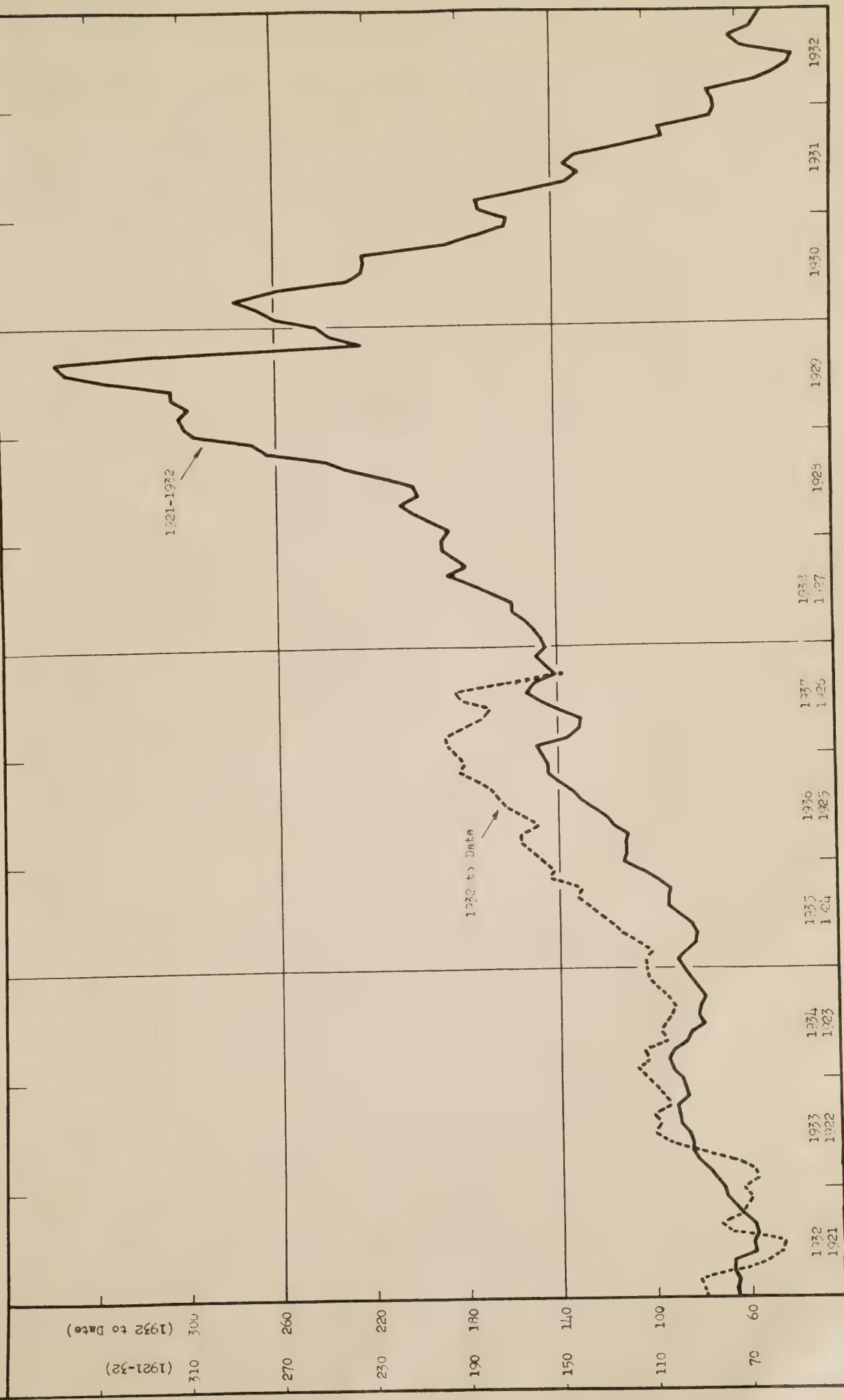








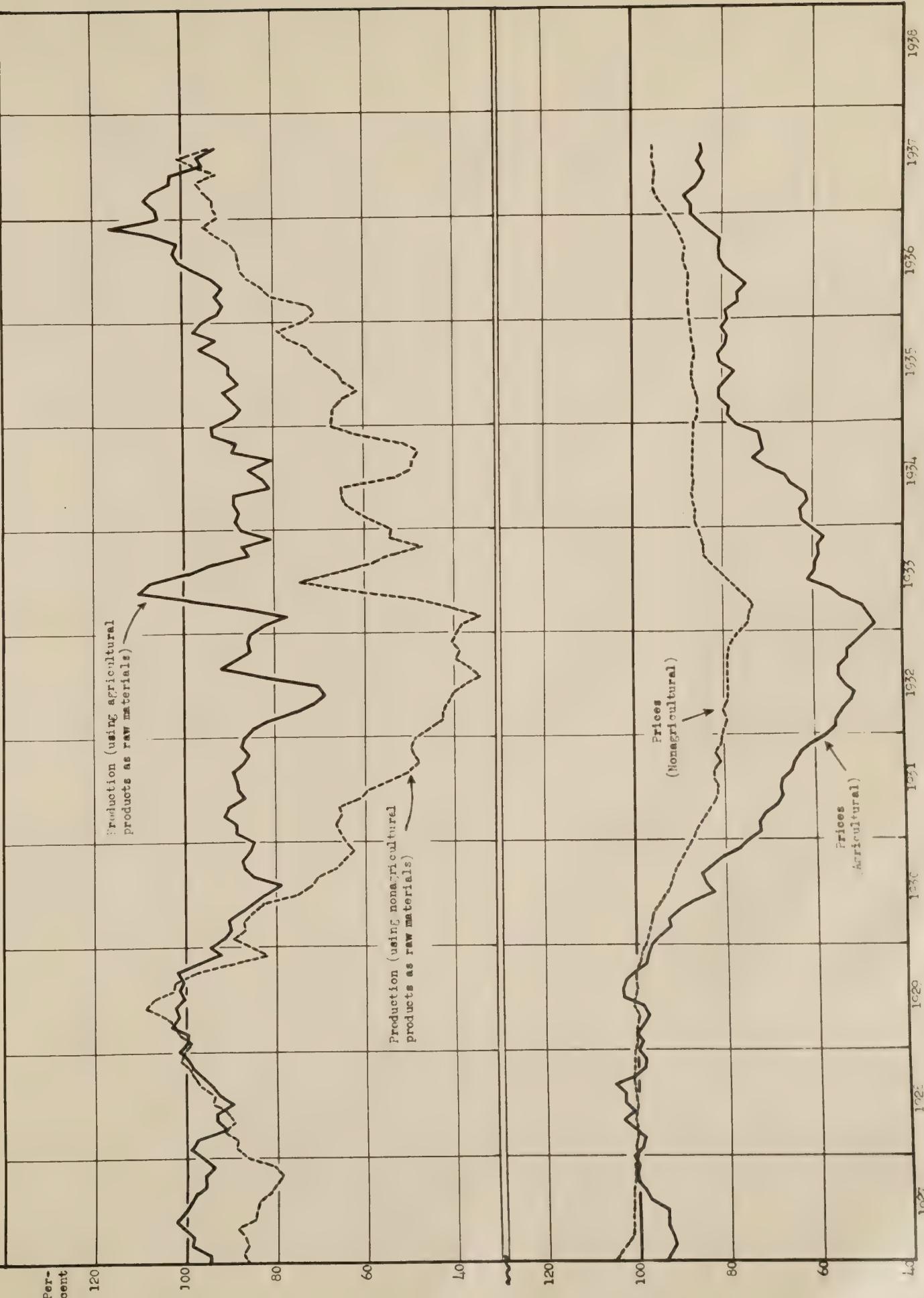
INDUSTRIAL STOCK INDEX  
(Dow Jones Averages - Dollars per Share)





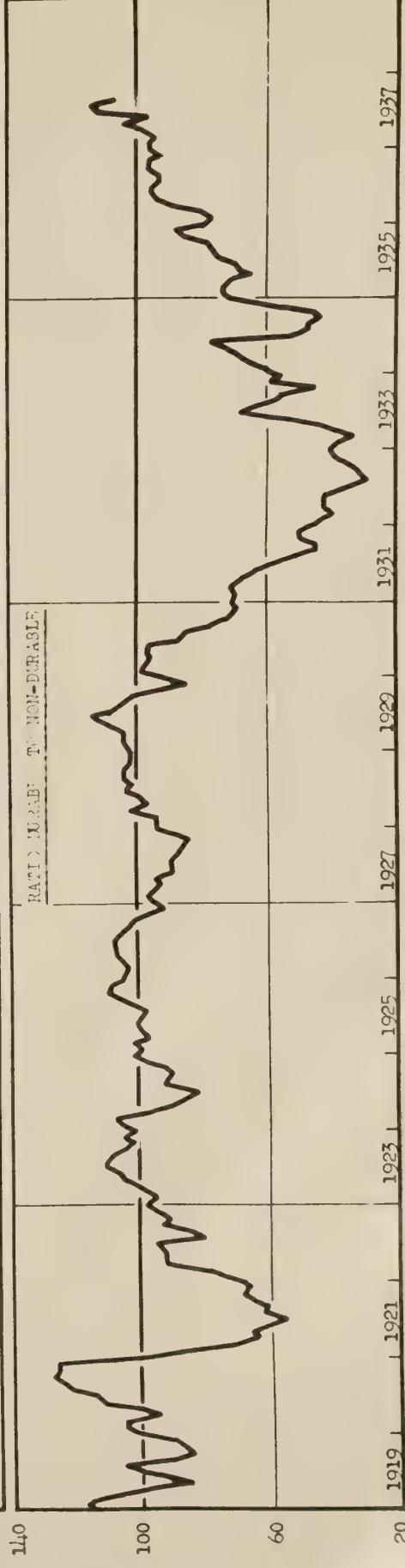
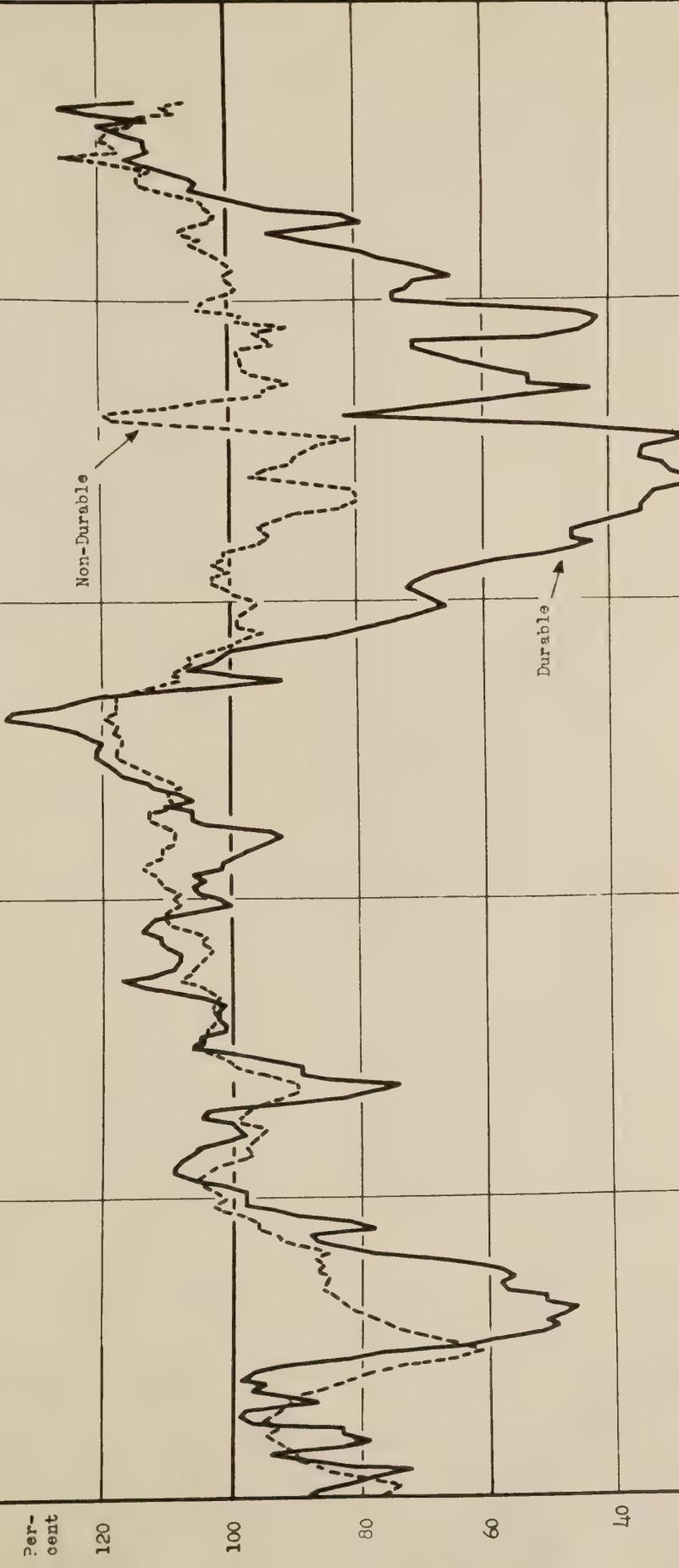
MANUFACTURING OUTPUT AND WHOLESALE PRICES

1929=100

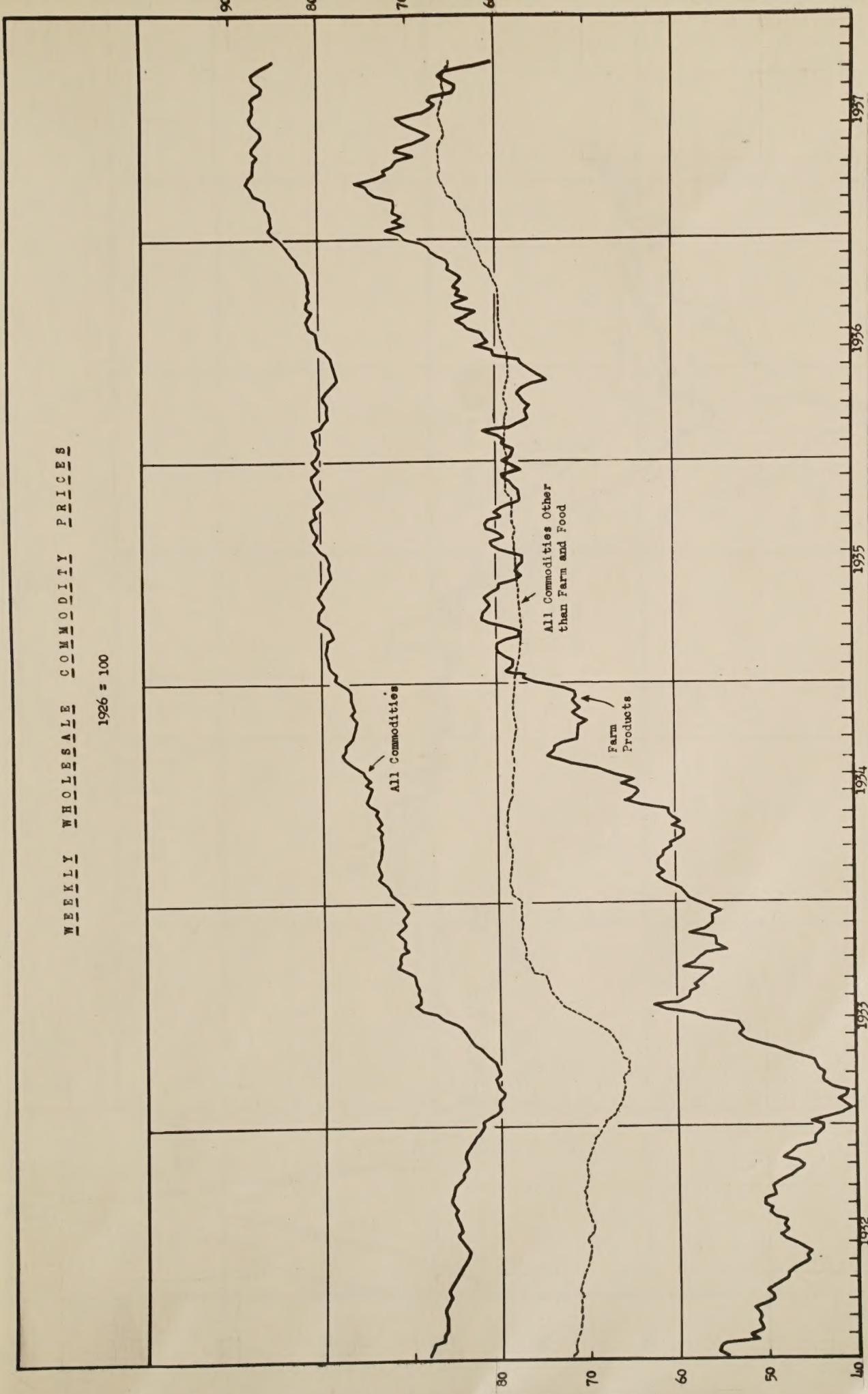




FACTORY PRODUCTION OF DURABLE AND NON-DURABLE GOODS,  
AND RATIO OF FORMER TO LATTER, 1919-37  
Adjusted for Seasonal Variation (1923-25=100)









INDEXES OF RETAIL SALES  
Adjusted for Seasonal Variation  
(1929 = 100)

